

**Tony Allen Attridge trading as
 The College of Health and Fitness**

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Student numbers	50		
AUDIT TEAM			
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AUDIT DETAILS			
Audit date/s	24 – 25 July 2013		
Audit outcome on day of audit	Compliant <input type="checkbox"/>		Non-compliant <input checked="" type="checkbox"/>
Other audit notes	<ul style="list-style-type: none"> Majority of training within RTO premises – face to face delivery 5% of User Choice funding as part of annual income 		
FOCUS OF AUDIT			
Qualification code	Qualifications	Total Students	Delivery site
SRF30206	Certificate III in Fitness	8	RTO premise and workplace
SIS30310	Certificate III in Fitness	13	
BSB40207	Certificate IV in Business	2	
INTERVIEWEE/S			
Tony Attridge, Director			

Vocational Education and Training (VET) Pre-Qualified Supplier Agreement

Clause 26 Good faith

In performing its obligations under this Agreement and seeking to become entitled to public funding under this Agreement the Supplier has:

At time of audit:

- Compliant
 Not Compliant

Y N

- acted in good faith in all matters pertaining to the Agreement;
 acted consistently with the spirit of this Agreement and the Funding Program;
 acted in a way that best achieves the objectives of the Funding program.

Through discussions with the organisation throughout the audit process, the auditor has come to the conclusion The College of Health and Fitness is trying to provide a quality service and outcome for all students and is focussed on addressing the intent of the PQS Agreement and User Choice 2010/15 Policy. However, it would appear the majority of non-compliances identified within this audit report are a result of poor administration systems and processes and a lack of internal quality assurance practices.

It is strongly recommended The College of Health and Fitness re-educates all relevant staff involved in the administration of User Choice funded trainees/apprentices to ensure their full understanding regarding the roles and responsibilities outlined within its PQS Agreement and User Choice 2010/15 policy.

The College of Health and Fitness is advised that should future audit find non-compliant practices identified within this audit report continue, the Department may review its determination of compliance with "Good Faith" provisions and the continuation of the PQS Agreement may be put at risk.

Clause 3.2 The SRTO must:

- (c) **comply with the AQTF, the Act and all relevant laws in the performance of its obligations under this agreement.**

Vocational Education, Training and Employment Act 2000
Vocational Education, Training and Employment Regulation 2000

At time of audit:

- Compliant
 Not Compliant

Training Plans

Y N NA

- Signatures of all parties (student, employer and SRTO) sighted for all training plans *VETE Act Section 100(1)*
- SRTO has taken reasonable steps to ensure each training plan is signed –
 (a) if the training plan is the initial training plan for the apprentice or trainee – before the probationary period for the apprentice or trainee ends; or
 (b) if a training plan for an apprentice or trainee ends because the supervising registered training organisation has been replaced – within 14 days after the replacement day
VETE Act Section 100(2)
- SRTO ensures a copy of the signed training plan is given to each apprentice or trainee, and the employer, within 7 days after the parties sign it
VETE Act Section 101
- If changes have been made to training plan, the changed training plan has been signed by all parties to the training plan within 14 days after the parties agree to the change.
Section 18(1) & (2) VETE Regulation
- If changes have been made to the training plan, the SRTO ensures a copy of the signed changed training plan is given to each apprentice or trainee, and the employer, within 7 days after the parties sign it.
Section 19 VETE Regulations

Requirements of a training plan for an apprentice or trainee

Y N

- The training plan format implemented by the organisation contains the minimum

requirements as outlined within Skills Queensland Guideline 10

- Training plans align with training package requirements regarding the selection of units
 Individual training plans within student files have been fully developed

Training Records

Y N

- SRTO has provided the apprentice or trainee with the appropriate training record to be kept for the apprenticeship or traineeship within 14 days after a training plan is signed by the parties to the training plan. *VETE Regulations Section 20(1)*
 Where training is required to be delivered by the employer or the SRTO, the employer or the SRTO has at intervals of not more than 3 months –

(a) required the apprentice or trainee to produce the training record to have the particulars of the training completed by the apprentice or trainee during the interval entered in it; and

(b) kept the record complete, accurate and up-to-date by entering the particulars in it.

Section 20(6) VETE Regulations

Availability of facilities

Y N

- The organisation has provided facilities, services, supervision and training required under the training plan for all apprentice and trainee files examined.
VETE Act Section 92

Issuance of Qualification or Statement of Attainment

Y N

- The SRTO has within 14 days after receiving the notice mentioned in section 69, given the person who was the apprentice or trainee a statement of attainment detailing the training the person completed under the training plan before it ended. *Section 105(2)*

NON-COMPLIANCES:

Training Plans:

Although the training plans sighted within the student files examined did not address Skills Queensland Guideline 10 minimum requirements, the organisation was able to demonstrate a new training plan template (current Departmental version) has been implemented for all new enrolments. As this new training plan template addresses Skills Queensland Guideline 10 minimum requirements, The College of Health and Fitness is not required to undertake further rectification relating to this issue.

However, the auditor identified a number of instances where the training plan had not been fully developed to contain all relevant information. In the majority of instances the information not being captured related to how training and assessment was to be undertaken.

Training Package Requirements:

The auditor identified a number of instances where the training plan sighted within the student's file did not align with training package requirements. For example:

- (SIS30310 Certificate III in Fitness) – training plan sighted only contained 13 units of competency for a qualification which requires the completion of 15 units of competency. Similar issues were identified for and , both undertaking SIS30310 Certificate III in Fitness.
- (SRF30206 Certificate III in Fitness) – training plan sighted only contained 23 units of competency for a qualification which requires the completion of 24 units of competency. In this student's case one unit of competency listed on the training plan had accidentally been listed twice.

Training Records:

The College of Health and Fitness does not have a process in place to record the issuance of the training record to the student within 14 days of signing the training plan.

RECTIFICATION REQUIRED:

The College of Health and Fitness must review its process for the development of training plans to ensure systems are in place to confirm all necessary information within the training plan has been completed.

The College of Health and Fitness **must** undertake a review of training plans for all current trainees to ensure these documents have been developed in accordance with training packaging rules. Where training plans are found to be

incorrectly developed, The College of Health and Fitness **must** ensure revised training plans are redeveloped, signed and reissued to all parties.

The College of Health and Fitness **must** revise its current induction process to ensure evidence is retained to substantiate the training record has been provided to the student within 14 days after signing the training plan.

The College of Health and Fitness will not be required to submit evidence to the Department to demonstrate non-compliances have been sufficiently addressed. However, The College of Health and Fitness is advised rectification action undertaken by it to address all identified non-compliances will be examined as part of future audit activity.

Clause 9 Records

Information and material necessary to provide a complete record of training and assessment was sighted at audit including:

At time of audit:

Compliant

Not Compliant

Y N

- records of each student's participation in training and assessment for each unit of competency, including records of the commencement of educational content, attendance and progression;
- evidence that the SRTO has a process in place to capture the employer's verification regarding the on-the-job component
- evidence that the SRTO has consistently retained evidence to support that the on-the-job training component has been achieved for each unit of competency for each participant prior to submission of claims for payment
- accurate AVETMISS start and end dates for each student for each unit of competency;
- copy of the qualifications and statements of attainment issued to each student;

For each unit of competency for each student, the auditor sighted:

Y N

- completed and accurate assessor's marking guide, criteria and observation checklists for the unit of competency; and
- the completed paper-based assessment items for the unit of competency
- implemented and retained the full range of assessment evidence.

NON-COMPLIANCES:

Assessment Retention:

Through the review of student files, the auditor identified the organisation has not consistently retained the full range of assessment evidence to substantiate the achievement of competencies. The organisation advised assessment was conducted against the theory component throughout the duration of the traineeship and then an holistic assessment of practical skills was undertaken towards the end of the traineeship.

The auditor sighted a number of instances where The College of Health and Fitness has submitted a claim for payment for units of competency where the practical skills assessment has yet to be completed. The organisation acknowledged this claim would have been made in error.

In addition, the auditor also identified a small number of instances where the organisation has failed to retain both the completed theory and practical assessment evidence to substantiate claims for payment.

Please also refer to Clause 2.4.3 within this audit report for further issues of non-compliance and rectification requirements.

On-the-job verification:

Through the review of student files, the auditor identified The College of Health and Fitness has not consistently retained evidence of on-the-job verification from the employer/workplace supervisor prior to the submission of claims for payment.

Please also refer to Clause 2.4.3 within this audit report for further issues of non-compliance and rectification requirements.

AVETMISS End Dates:

Due to the non-compliances outlined above, the auditor was unable to validate the accuracy of the AVETMISS End

Dates submitted by The College of Health and Fitness.

Qualifications Issued:

The auditor identified the qualification issued to _____ does not accurately reflect the units of competency completed by the student.

RECTIFICATION REQUIRED:

The College of Health and Fitness **must** implement a process to ensure the full range of assessment evidence, which addresses both the theory and skills requirements for the unit of competency, is being retained.

The College of Health and Fitness **must** have processes in place to ensure sufficient evidence of on-the-job verification is retained prior to the submission of all claims for payment to the Department. In addition, the processes implemented by The College of Health and Fitness **must** support the organisation's capacity to submit accurate AVETMISS data relating to AVETMISS End Dates.

The College of Health and Fitness **must** review of qualification issued to _____ and undertake all necessary action to rectify this issue. The College of Health and Fitness **must** also undertake a review of all qualifications and statements of attainment issued to students under the PQS Agreement to ensure its accuracy in relation to the units of competency listed.

Please also refer to Clause 2.4.3 within this audit report for further rectification requirements.

The College of Health and Fitness will not be required to submit evidence to the Department to demonstrate non-compliances regarding the organisation's record retention processes have been sufficiently addressed. However, The College of Health and Fitness is advised rectification action undertaken by the organisation to address all identified non-compliances will be examined as part of future audit activity.

Clause 10 Access to premises and records

The SRTO gave the department access to its premises:

Y N

- to inspect and copy information and material related to the Agreement or kept by the Supplier under clause 9.1; and
- to monitor the provision of training and assessment and other VET Services and performance of the SRTO's obligations under the Agreement.
- employees and contractors provided full and accurate answers to questions asked by the department in connection with training and assessment, other VET Services and Supplier obligations under the Agreement.

At time of audit:

- Compliant
- Not Compliant

Clause 11 Publicity

In making any public statements in relation to the training and assessment funded under this Agreement the SRTO:

Y N N/A

- has referenced the department as the funding source within any public statement
- has not made any misleading public statements including statements to students, employers or other organisations relating to the Agreement or the department.

At time of audit:

- Compliant
- Not Compliant
- Not Applicable

Clause 13 Insurance

The organisation provided evidence that for the term of its agreement with the department it:

Y N

- maintained public liability insurance for a minimum of \$10 million arising out of any one event in respect of death, injury, loss, or damage howsoever sustained to or by any person or property;
- maintained workers compensation insurance.

At time of audit:

- Compliant
- Not Compliant

Clause 1.2 – SRTO and employment arrangements

The SRTO has:

Y N NA

- assessed employment arrangements of each traineeship to ensure the employer provides adequate facilities, range of work supervision and the on-the-job training required by the Vocational Education, Training and Employment Act 2000 (the Act);
- sourced or developed an Employer Resource Assessment (ERA) document which addresses the employment and training arrangements required under the Act for traineeships and apprenticeships;
- has taken appropriate action when the employment arrangements do not meet the requirements of the Act, the Agreement and/or the qualification.

At time of audit:

- Compliant
- Not Compliant

NON-COMPLIANCES:

The auditor sighted sufficient evidence to indicate The College of Health and Fitness has processes in place to determine the legitimacy of employment arrangements as part of the organisation's induction procedure. Consequently, the majority of student files examined contained sufficient evidence The College of Health and Fitness has conducted an Employer Resource Assessment against individual students by using the Department's template.

However, the auditor identified a number of issues whereas the Employer Resource Assessments conducted for school based trainees employed by Australian Indigenous Youth Academy were not fully completed. Specifically, the auditor raised concerns regarding:

- limited information documented in relation to the acceptable ratio of qualified persons to trainees
- evidence suggesting school based trainees not being allocated 7.6 hours of paid work per week.

The organisation also confirmed it has recently experienced issues with this employer regarding the development of training plans for a couple of students. The organisation also advised it was unaware of its responsibility to advise the local departmental office of concerns regarding the legitimacy of workplace arrangements highlighted through the conduct of an Employer Resource Assessment.

RECTIFICATION REQUIRED:

The College of Health and Fitness **must** undertake a review of its records for all current trainees to ensure the organisation has met its responsibility to determine the legitimacy of workplace arrangements in relation to adequate facilities, range of work and supervisory arrangements.

In each instance where sufficient evidence has not been retained, The College of Health and Fitness **must** immediately review respective workplaces to assess against their capacity to address facilities, range of work and supervisory arrangements. For each instance where The College of Health and Fitness identifies issues regarding a workplace's ability to address these requirements, including issues of school based trainees not being allocated 7.6 hours of paid work per week, the organisation **must** provide this information to the local regional office of the Department for further investigation.

The College of Health and Fitness is directed to the current Employer Resource Assessment template developed by the Department, located at <http://apprenticeshipsinfo.qld.gov.au/resources/pdf/forms/er-assessment.pdf>

In addition, The College of Health and Fitness **must** review its current induction process to ensure the requirement to conduct an Employer Resource Assessment is captured and sufficient mechanisms are implemented to ensure any new traineeship sign-ups are not processed without the completion of an Employer Resource Assessment.

The College of Health and Fitness will not be required to submit evidence to the Department to demonstrate non-compliances have been sufficiently addressed. However, The College of Health and Fitness is advised rectification action undertaken by the organisation to address all identified non-compliances will be examined as part of future audit activity.

Where a future audit identifies The College of Health and Fitness has failed to address the intent of the User

Choice 2010/15 Policy regarding determining the legitimacy of workplace arrangements, the Department will view each instances as an "Overpayment" and seek recovery for all units of competency claimed against each respective student.

Clause 2.4.3 AVETMISS Reporting Requirements.

The SRTO has:

Y N NA

At time of audit:

Compliant

Not Compliant

- correctly reported the delivery identifier code specified in AVETMISS for the relevant mode of delivery **Clause 2.4.3.c**
- gathered **sufficient** evidence that competency has been achieved, as expressed by the relevant endorsed industry/enterprise competency standards of a training package or by the learning outcome of an accredited course to support the outcome of the assessment (AVETMISS Outcome Identifier Code 20); **Clause 2.4.3.d**
- confirmed with the employer that the student has consistently demonstrated competent performance in workplace tasks relevant to the unit of competency/module to support the outcome of the assessment (AVETMISS Outcome Identifier Code 20); **Clause 2.4.3.d**
- retained sufficient evidence to support that students have attempted all assessments and failed in at least one method (AVETMISS Outcome Identifier Code 30); **Clause 2.4.3.d**
- retained sufficient evidence to support the student's participation in the learning activity prior to withdrawing (AVETMISS Outcome Identifier Code 40); **Clause 2.4.3.d**
- retained sufficient evidence to support recognition of prior learning (AVETMISS Outcome Identifier Code 51); **Clause 2.4.3.d**
- retained sufficient evidence to support credit transfers (AVETMISS Outcome Identifier Code 60); **Clause 2.4.3.d**
- retained sufficient evidence that an induction was conducted and training plan developed prior to the student's training contract being cancelled or the student changing SRTOs (SRTO1 Administration Payment); **Clause 2.4.3.d** and
- submitted AVETMISS postcodes that accurately reflect the location in which the majority of training has been undertaken. **Clause 2.4.3.e**

NON-COMPLIANCES:

AVETMISS Outcome Identifier Code '20':

As outlined in Clause 9 of the PQS Agreement, the auditor identified non-compliances regarding the organisation's assessment retention processes. The affected students and units of competency are outlined in Attachment 2.

AVETMISS Outcome Identifier Code '30':

Through the review of student files for _____ and _____, the auditor was unable to sight evidence of the full range of completed assessment evidence attempted by the students to substantiate the submission of a "Not Yet Competent" claim for payment.

Discussions with the organisation identified the submission of AVETMISS data for the above two students may have been submitted to the Department in error as the organisation was able to demonstrate both students had been reported as "Did Not Start" in its 'I-Care' AVETMISS Software.

On the Job Verification:

Through the review of the student files, the auditor identified sufficient evidence of the on-the-job verification has not been retained by the organisation to validate the claims for payment lodged with the Department for students and units of competency outlined in Attachment 2.

Training Participation:

For the majority of student files examined, The College of Health and Fitness had detailed records to support student participation in training. However, through the review of the student files for _____ and _____ the auditor was unable to sight any evidence of training participation to validate the withdrawn claims for payment submitted to the

Department.

Discussions with the organisation identified the submission of AVETMISS data for the above two students may have been submitted to the Department in error as the organisation was able to demonstrate both students had been reported as "Did Not Start" in its 'I-Care' AVETMISS Software.

RECTIFICATION REQUIRED:

The College of Health and Fitness is advised rectification undertaken in relation to Clause 9 regarding retention of assessment evidence will address the majority of the above non-compliances.

Furthermore, The College of Health and Fitness must review its AVETMISS submission processes to ensure systems are implemented to validate the accuracy of future AVETMISS data submissions are supported by the retention of sufficient evidence of assessment.

However, The College of Health and Fitness is advised the non-compliances relating to the lack of on-the-job verification, assessment evidence retention, on-the-job verification and unsubstantiated "Not Yet Competent" and "withdrawn" claims for payment detailed within Attachment 2 constitute "Overpayments" as defined in Clause 8.1 of the Pre-qualified Supplier Agreement. These Overpayments will be recovered.

The College of Health and Fitness will not be required to submit any additional evidence to the Department to demonstrate non-compliances regarding the organisation's processes for submitting correct and accurate AVETMISS data. However, The College of Health and Fitness is advised rectification action undertaken to address all identified non-compliances will be examined as part of future audit activity.

Table 4 – Service provision not funded

The SRTO has:

Y N

- not been funded for delivery of a unit of competency or module through RPL in any instances where this leads to the entire qualification has been achieved through RPL;
- not submitted claims for payment for units in excess of the competency count for the qualification;
- not submitted claims for payment for units of competency previously assessed as competent.

At time of audit:

- Compliant
- Not Compliant

Clause 2.5 Fees and Charges

2.5.1 Student Contribution Fees

- (b) The Supplier provided the participant details of its fees and charges policy, including the student contribution fees and any additional charges as identified in section 2.5.8, its method of collection, refunds, and exemptions and provide access to this written policy to participants prior to their enrolment.
- (c) The SRTO has retained evidence of fees collected as well as evidence of participants who have been deemed totally or partially exempt from the payment of student contribution fees.
- (e) The Supplier has not charged participants more than the student contribution fee contained in the User Choice 2010 - 2015 Policy except as required periodically by the department.

At time of audit:

- Compliant
- Not Compliant

2.5.2 Partial Exemption—Tuition Fees

The SRTO must not charge more than 40 per cent of the student contribution fee where the participant falls into one or more of the following exemption categories:

- (a) The participant was or will be under 17 at the end of February in the year in which the Supplier provides training, and the participant is not at school and has not completed year 12;
- (b) The participant holds a health care card or pensioner card issued under Commonwealth law, or is the partner or a dependant of a person who holds a health care card or

retained sufficient evidence that additional charges to the participant have been charged in accordance with Schedule 1 of the *Vocational Education, Training and Employment Regulation 2000*; and

retained sufficient evidence that additional charges to the employer have been negotiated.

NON-COMPLIANCES:

The auditor sighted sufficient evidence the organisation is charging student contribution fees at the correct rate. However, the auditor was unable to determine how the organisation has calculated the nominal hours against which to charge its fees.

Furthermore, a number of student files contained sufficient evidence to substantiate a partial student contribution fee exemption. However, the invoices sighted for and indicate these students were provided only a 50% reduction of fees instead of the required 60% partial fee exemption. In affect these two students have incorrectly paid student contribution fees

RECTIFICATION REQUIRED:

The College of Health and Fitness **must** amend its processes relating to the management of student contribution fees to ensure all fees are being charged, included the application of a partial fee exemption, and collected in accordance with the current User Choice policy.

In addition, The College of Health and Fitness **must** undertake a review of all student contribution fees collected under the PQS Agreement and, where it has identified trainees have been overcharged, issue a refund.

The College of Health and Fitness will not be required to submit any additional evidence to the Department to demonstrate non-compliances regarding the organisation's processes for charging and collecting student contribution fees. However, The College of Health and Fitness is advised rectification action undertaken to address all identified non-compliances, including evidence of refunds issued, will be examined as part of future audit activity.

pensioner concession card, and is named on the card;

- (c) The participant issues the SRTO with an official form under Commonwealth law confirming that the participant, his or her partner or the person of whom the participant is a dependant, is entitled to concessions under a health care card or pensioner concession card; or
- (d) The participant is an Aboriginal or Torres Strait Islander person. Acceptable evidence is as stated on the Training Contract and AVETMISS VET enrolment form.

2.5.3 Student services for Participants

The Supplier must not charge the participant a separate student services fee as this provision has already been captured in section 2.5.1(a) *Student Contribution Fee* of the User Choice 2010-2015 Policy.

2.5.4 Fee exemption on grounds of extreme hardship or other special circumstances

- (d) Where the participant is a school-based apprentice or trainee, the SRTO must exempt the participant from these fees.

2.5.7 Refund Policy

The Supplier must have a refund policy that meets the requirements of the AQTF. This policy must also include provision for:

- (a) full refunds to participants for student contribution fees charged for training delivery that has not commenced at the time of the cancellation of enrolment;
- (b) proportionate refunds where the participant has withdrawn from a unit of competency/module; and
- (c) refunds to employers/industry for additional charges paid beyond the participant and government contributions.

2.5.8 Additional charges

Student: The SRTO may apply additional charges beyond the student contribution fee only if those additional charges are in accordance with the *Vocational Education, Training and Employment Regulation 2000* (Regulations).

Employer/Industry: The Supplier may seek additional charges from the employer/industry. Any additional charges must be negotiated up-front and disclosed to the employer/industry prior to the participant's enrolment.

Induction information contains User Choice specific information regarding:

Y N NA

- rate of student contribution fees (*currently \$1.60*);
- partial tuition fee exemption categories (*must not charge more than 40%*);
- full refunds for units not commenced and proportionate refunds for units commenced but not completed;
- any additional fees (i.e. Schedule 1 of the VETE Regulations) to be charged to the participant; and
- any additional fees to be charged to the employer/industry.

The SRTO has:

Y N NA

- charged student contribution fees for all students (excluding SATs and appropriately approved exemptees),
- retained sufficient evidence to support the granting of student contribution tuition fee exemptions;
- not charged any SATs student contribution fees;
- calculated student contribution fees based on the correct number of nominal hours;
- calculated student contribution fees at the correct rates;
- ensured any additional fees charged are in accordance with Schedule 1 of the *Vocational Education, Training and Employment Regulations 2000*;
- calculated partial student contribution fee exemptions at the correct rate;
- retained sufficient evidence to support the provision of full and partial refunds to all parties;